2008-05084/

FRESHWATER FISH MARKETING CORPORATION

THIRD QUARTER REPORT

III

November 1, 2007 - January 31, 2008

SUMMARY *(numbers in thousands)*

	Third Quarter		Year-To-Date	
	This Year	Last Year	This Year	Last Year
TOTAL SALES	$ 14,123	$ 14,764	$ 43,361	$ 42,651
NET INCOME	$ (486)	$ (2,000)	$ 3,079	$ 61
INITIAL PAYMENTS TO FISHERS*	$ 2,564	$ 4,014	$ 24,535	$ 26,210
ROUND EQUIVALENT KGS				
Pickerel	421	750	5,933	6,110
Sauger	39	31	103	152
Whitefish	391	702	3,207	4,051
Northern Pike	536	538	1,407	1,350
Mullet	370	613	1,119	1,454
Other	103	147	660	982
TOTAL WEIGHT	1,860	2,781	12,429	14,093

* Delivery Point, net freight

** NOTE: Reporting in Round Equivalent Kilograms to be consistent with Annual Report

** All figures are preliminary until audited at the Corporation's fiscal year-end of April 30

PERFORMANCE HIGHLIGHTS

Third quarter sales showed some weakening, coming in $0.5 million below budget and $0.2 million below last year. Year-to-date sales remain ahead of last year. The third quarter weakening can be attributed to a decline in pickerel sales, as higher prices affect demand, but another cause of declining sales is a shortage of other species, especially whitefish.

The Corporation considers the short supply of whitefish its most serious issue at present. Inventories are now depleted and it has been necessary to put customers on allocation. Measures to alleviate this problem are being considered and readied for the coming season.

Year-to-date income is well above last year as price increases, cost control measures and an effective currency hedging strategy have all contributed to an improved result.

Noteworthy Items from the Third Quarter:

- The Board held its Second Quarter Review in November 2007.
- President J. Wood presented to the Board of Manitoba Commercial Inland Fishers Federation in November.
- The Corporation participated in a meeting with the Manitoba Water Stewardship Minister, in addition to various other fisher association meetings.
- Vice-President of Marketing/Sales, G. Malone, traveled to Finland, Poland and Sweden in December to meet with customers.
- Senior management met with Province of Manitoba representatives regarding Lake Winnipeg quota administration and the formation of a I ake Winnipeg Resource Management Board.

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HIGHLIGHTS BY PROVINCE — THIRD QUARTER REPORT

MANITOBA

(numbers in thousands)

- Fishers experienced extremes in conditions this quarter, starting with mild weather and a later-than-normal freeze-up in November, and concluding with severe winter storms in January, which did not help to maintain winter fish deliveries.
- Manitoba saw 111 (19%) fewer fishers participating in the winter fishery than last year; their average deliveries were down by 24%
- Overall deliveries were down 37% compared to the third quarter last year and initial payments were down by 40%
- The increased prices for pickerel in January had no perceptible effect on deliveries

	Third Quarter		Year-To-Date	
	This Year	Last Year	This Year	Last Year
INITIAL PAYMENTS TO FISHERS*	$ 1,624	$ 2,702	$ 21,949	$ 22,121
ROUND EQUIVALENT KGS				
Pickerel	257	536	5,608	8,493
Sauger	38	30	102	152
Whitefish	215	241	1,390	1,749
Northern Pike	391	363	1,165	1,062
Mullet	185	491	818	1,346
Other	95	144	400	616
TOTAL WEIGHT	1,748	2,805	9,543	13,488

* Delivery Point, net freight

SASKATCHEWAN

(numbers in thousands)

- Fishers experienced extremes in conditions this quarter, starting with mild weather and a later-than-normal freeze-up in November, and concluding with severe winter storms in January, which did not help to maintain winter fish deliveries.
- The fishery experienced a drop in participation in this quarter, with 14 (8%) fewer fishers than in the third quarter last year, and their average deliveries were down by 3%
- Pickerel (25%), northern pike (14%) and whitefish (9%) deliveries were all down compared to the third quarter last year. Mullet deliveries were slightly improved (up 7%)
- Overall, Saskatchewan deliveries were down by 11% and initial payments declined by 15%

	Third Quarter		Year-To-Date	
	This Year	Last Year	This Year	Last Year
INITIAL PAYMENTS TO FISHERS*	$ 826	$ 1,004	$ 1,758	$ 2,188
ROUND EQUIVALENT KGS				
Pickerel	183	316	345	358
Sauger	1	1	1	1
Whitefish	185	194	712	723
Northern Pike	140	163	207	235
Mullet	140	133	291	307
Other	7	1	198	279
TOTAL WEIGHT	656	727	1,754	2,008

* Delivery Point, net freight

ALBERTA

(numbers in thousands)

- The third quarter this year looked especially bad in Alberta as the normal January opening on Utikuma Lake did not occur due to last year's winter kill problem
- As a result, deliveries from Alberta were down by 67% compared to the third quarter last year and initial payments declined by 67%
- Only 12 fishers participated in the Alberta fishery during the quarter, down from 38 last year. However, their average deliveries were up by 12%.

	Third Quarter		Year-To-Date	
	This Year	Last Year	This Year	Last Year
INITIAL PAYMENTS TO FISHERS*	$ 88	$ 269	$ 836	$ 1,112
ROUND EQUIVALENT KGS				
Pickerel	0	0	28	15
Sauger	0	0	0	0
Whitefish	65	219	749	953
Northern Pike	4	6	16	19
Mullet	0	0	0	0
Other	1	2	35	34
TOTAL WEIGHT	74	227	828	1,041

* Delivery Point, net freight

NORTHWEST TERRITORIES

(numbers in thousands)

- Because of the severe decline in winter deliveries over the past number of years, the winter packing operation in Hay River has been suspended.

	Third Quarter		Year-To-Date	
	This Year	Last Year	This Year	Last Year
INITIAL PAYMENTS TO FISHERS*	$ -	$ 19	$ 360	$ 567
ROUND EQUIVALENT KGS				
Pickerel	0	0	11	38
Sauger	0	0	0	0
Whitefish	0	17	103	441
Northern Pike	0	6	15	25
Mullet	0	0	0	0
Other	0	1	27	50
TOTAL WEIGHT	0	24	156	544

* Delivery Point, net freight

NORTHWESTERN ONTARIO

(numbers in thousands)

- There was no fishing activity in Northwestern Ontario during this quarter

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	Third Quarter		Year-To-Date	
	This Year	Last Year	This Year	Last Year
INITIAL PAYMENTS TO FISHERS*	$ -	$ 1	$ 9	$ 30
ROUND EQUIVALENT KGS				
Pickerel	0	0	0	0
Sauger	0	0	0	0
Whitefish	0	0	2	5
Northern Pike	0	1	5	10
Mullet	0	0	1	1
Other	0	0	0	2
TOTAL WEIGHT	0	1	8	18

* Delivery Point, net freight